

## VIOLENT BREAKS IN MARKET CAUSED BY GERMAN NOTE

One of Wildest and Most  
Exciting Sessions Since  
War Began.

VIRTUALLY NO SUPPORT  
APPARENT FOR SOME TIME

Mass of Stocks Thrown In at  
Opening, First-Hour Sales  
Being 750,000 Shares.

MANY RAPID CHANGES IN TONE  
Brokers Call on Clients All Over  
Country for Heavy Addition-  
al Margins.

(By Associated Press.)  
NEW YORK, February 1.—Germany's  
declaration of a relentless submarine  
campaign resulted today in one of the  
wildest and most exciting sessions of  
the Stock Exchange since the war be-  
gan. Stocks broke from 5 to 15 points  
in an extensive selling movement, and  
Baltimore Steel fell 34 points.  
A mass of stocks was thrown upon  
the market at the opening, and sales  
in the first hour amounted to 750,000  
shares. There appeared for some time  
to be virtually no support, and many  
"stop loss" orders were uncovered.  
Urgent liquidation followed after the  
first hour, and was followed by irregu-  
lar rallies, short sellers being willing  
apparently to take some of the profits  
which had accrued to them overnight.  
The market continued extremely nerv-  
ous and was subject to many rapid  
changes of tone. In the final hour  
some stocks made new low prices for  
the day when reports reached the finan-  
cial district that actual severance of  
diplomatic relations with Germany was  
imminent.  
Before the opening of the market,  
and throughout the day, brokers were  
calling on clients all over the country  
to supply heavy additional margins  
upon their lines of stocks. In cases  
where this margin was not immediately  
forthcoming, the securities were sold  
at the market.  
DRASTIC PRICE READJUSTMENTS  
OCCUR DURING FIRST HOUR  
Selling of this character was to a  
considerable extent responsible for  
drastic price readjustments in the first  
hour.  
Bankers of prominence, while regard-  
ing the situation as critical, declined  
to express any opinion for publication.  
The governors of the Stock Exchange  
were in informal session at various  
times during the day, but no action  
being upon the situation was taken.  
Some of the professional selling in  
the market was attributed to heavy  
losses incurred by operators in the  
commodities market, especially cotton,  
in which the slump was most severe.  
Money rates were slightly firmer, but  
exerted no apparent influence.  
The uneasy condition of the interna-  
tional markets was exemplified by the  
weakness displayed by all international  
currencies, notably the so-called war nota-  
tions. Virtually all these securities fell  
to low records, including the premier  
Anglo-French 5s, which made a loss  
of 3/4 of a point at 92 3/4.  
So far as the general prices in the  
stock list were concerned, the greatest  
loss was that of Bethlehem Steel, that  
stock selling as low as 26 1/2, which  
compared with the high record price  
of 700 last November.  
U. S. STEEL SHOWS  
NET LOSS OF 1-1/4  
United States Steel, which led the  
list in volume of sales with about  
6,000,000 shares traded at 165, showed  
an overnight loss of 12 points, at the mini-  
mum, broke further to 99, recovered to  
102 1/2, but closed at 102 3/4, showing  
5-1/4 points net loss for the day.  
Shipping stocks were particularly  
weak. Mercantile Marine broke 9  
to 18 points, with 18 1/2 for Atlantic  
Gulf and West Indies, and 11 for  
United Fruit.  
Industrials were lower by 8 to 15  
points. Motors yielded 3 to 11; Pe-  
troleum 2 to 12; Equipments, 5 to 14;  
Leathers and Sugars, 1 to 12; and Cop-  
pers and Zinc shares, 5 to 12. In ad-  
dition, many specialties experienced se-  
vere price losses. Sears-Roebuck losing  
11 points and American Can almost 10.  
Utilities, including gas shares, were  
weak.  
Rails were under pressure. Union  
Pacific broke more than 7 points, with  
7 for Baltimore and Ohio, 5 3/4 for  
Reading, 4 for New York Central and  
1 1/2 for Norfolk and Western. Minor  
rails were comparatively steady.

DECLINE OF \$25.50  
A BALE FOR COTTON

NEW YORK, February 1.—The most  
sensational break in the history of  
cotton future markets followed the  
German submarine announcement at  
the opening of the exchange here to-  
day. Before the first call was com-  
pleted, May contracts had sold at  
12.50, making a decline of \$25.50 a  
bale from the closing price of yester-  
day, and a new low record for the  
season. An almost equally rapid re-  
covery followed to 17.25 for that deliv-  
ery, or 476 points from the lowest, but  
this advance was met by increased  
offerings from all directions, and there  
was a second break to 14.50 for the  
May position.  
Disturbing rumors of unfavorable  
shipping or diplomatic developments  
kept the market in a turmoil during  
the entire day, and while the volume  
of business tapered off after the first  
price movements, there were frequent  
fluctuations of 15 to 20 points between  
sales. Prices, however, swung well  
within the early extremes, with May  
closing at 15.14, or about 264 points  
above the low level of the morning.  
(Continued on Fifth Page.)

## Loyal Americans Back of President

Charles E. Hughes Declares  
There Is No Partisan Thought  
in This Solemn Hour.

(By Associated Press.)  
NEW YORK, February 1.—Charles  
Evans Hughes, who was guest of honor  
at the annual dinner of the New York  
alumni of Brown University here to-  
night, declared every loyal American  
would stand behind the administration  
"in this solemn hour" without a parti-  
san thought. His declaration brought  
the diners to their feet singing "The  
Star-Spangled Banner."  
"We are all Americans to-night,"  
standing behind our President, on  
whom this great responsibility rests,"  
said Mr. Hughes. "It is not a time to  
embarrass in any degree with private  
utterances those charged with this re-  
sponsibility. They have the facts; they  
have the duty to perform. They have  
the sincere local co-operation of every  
true American. The exigencies of an  
nation can fix the limits of American  
rights."  
"My friends, in this solemn hour we  
stand loyal sons of Brown, realizing  
the privileges of our American citizen-  
ship. It is an hour of test that will  
show what America is made of. We  
shall be done coolly and deliberately,  
and in a manner that will give to every  
American a sense of profound satisfac-  
tion by reason of the wisdom with  
which the honor and the rights of our  
country shall be maintained."  
Other speakers at the dinner were  
President W. B. F. Fawcett of Brown,  
and Dr. Nicholas Murray Butler, pre-  
sident of Columbia University.

## NEW RECORD IN EXPORTS

American Manufacturers Sent Abroad  
Last Year Double in Value  
Those of 1915.

(By Associated Press.)  
WASHINGTON, February 1.—Ameri-  
can manufacturers sent abroad last year  
were double in value those of 1915.  
Manufactures for consumption  
were valued at \$2,625,686,298, the Com-  
merce Department announced today,  
compared with \$1,315,195,532 in 1915.  
They formed more than half of the  
year's increase in exports, which aggre-  
gated \$5,411,258,192, against \$3,493,  
250,532 in 1915.  
Crude materials used in manufac-  
turing exported amounted to \$719,769,  
877, an increase of \$152,000,000 over  
1915; foodstuffs in crude condition and  
food animals were valued at \$21,279,  
576, a decrease of \$3,500,000. Food-  
stuffs partly or wholly manufactured  
totaled \$648,605,812, an increase of  
\$27,500,000, and manufactures for fur-  
ther use in manufacturing were valued  
at \$512,292,629, an increase of \$456,  
000,000.  
Horses exported were valued at \$62,  
752,826, and mules at \$28,000,048.

## PROSPERITY CONTINUES

Expected Midwinter Lull After Christ-  
mas Reported by Federal Re-  
serve Board.

(By Associated Press.)  
WASHINGTON, February 1.—Continu-  
ation of comparative prosperity, with  
the expected midwinter lull after Christ-  
mas, is reported by the Federal  
Reserve Board in the monthly bulletin  
made public today. Reports by dis-  
tricts say:  
New York—Evidence of growing dis-  
position to exercise greater caution in  
making commitments by manufacturers  
and distributors for later in the year.  
Richmond—Exports, bank closings,  
railroad earnings and postal receipts  
show large increases, and continue in  
full volume.  
Atlanta—Manufacturers have orders  
far in advance. Trade conditions were  
satisfactory in January.  
Dallas—Lull following holidays prob-  
ably will continue until spring trade  
opens.

## ONE QUART A MONTH

Amendment to Last Law Passes West  
Virginia Legislature, and Now  
Goes to Governor.

(By Associated Press.)  
CHARLESTON, W. Va., February 1.—  
An amendment to the last law pro-  
hibiting the bringing by any one per-  
son of more than one quart of liquor  
into the State a month was passed by  
the House of Delegates here yesterday  
by a vote of 51 to 5. The measure has  
already passed the Senate, and now  
goes to the Governor.  
The bill provides for a sentence of  
from two to six months in jail and a  
fine of from \$100 to \$500 for the first  
violation, and one to five years in the  
penitentiary for the second offense.

## MRS. BYRNE TO BE RELEASED

Accepts Governor's Pardon, Promising  
to Refrain From Disseminating  
Birth-Control Information.

(By Associated Press.)  
NEW YORK, February 1.—Congress  
for Mrs. Ethel Byrne today announced  
she would accept Governor Whitman's  
pardon, which will release her from  
prison on condition that she refrain  
from further disseminating birth-con-  
trol information. By the Governor's  
order, the prison authorities today  
were directed to permit the woman to  
confer with her attorney. She has been  
in prison about ten days, and for a time  
was on a "hunger strike."

## SENATOR SWANSON BETTER

Confined to Home With Acute Attack  
of Quinsy for Several  
Days.

(By Associated Press.)  
WASHINGTON, February 1.—Some  
improvement in the condition of Sen-  
ator Swanson, of Virginia, who has been  
confined with an acute attack of quinsy  
for several days, was reported by two  
attending physicians today.  
Exposure after an attack of grip  
caused a throat abscess, and the Sen-  
ator is not expected to be able to attend  
the Senate for several days.

## IMMIGRATION BILL PASSES OVER VETO

House Votes 285 to 106 for Meas-  
ure Prescribing Liter-  
acy Test.

NOW TO SENATE FOR ACTION

Lower Branch of Congress Acts  
Favorably on Revenue by  
Strict Party Line-Up.

(By Associated Press.)  
WASHINGTON, February 1.—Presi-  
dent Wilson's veto of the immigration  
bill, known as the literacy test, was  
overruled in the House to-  
night by a vote of 285 to 106.  
Party lines were ignored in the fight,  
Republicans and Democrats being al-  
most equally divided on either side.  
To-morrow the action of the House  
will be reported to the Senate, where  
the bill passed originally by 64 to 7.  
An effort to override the veto there,  
advocates of the measure say, is cer-  
tain to be successful.  
For twenty years there has been a  
fight to establish a literacy test as a  
restriction upon immigration. Four  
times such a provision has run the  
gambit of Congress and been vetoed  
at the White House. President Cleve-  
land first introduced a bill on this  
ground, and Congress sustained his  
action. President Taft was the next  
to reject it. On that occasion the Sen-  
ate voted to override the veto, but  
the House failed to give the necessary  
two-thirds majority by nine votes. In  
1915 President Wilson refused to per-  
mit a bill to become law with the  
literacy test incorporated. The House  
lacked only four votes to override his  
action then, and the Senate did not  
consider the veto message.  
Tonight the House had twenty-five  
votes more than the necessary two-  
thirds majority. Republican Leader  
Mann and Democratic Leader Kitchin  
voted together against the President.  
Those voting to override the veto  
included 145 Democrats, 121 Republi-  
cans, 4 Progressives, 1 Prohibitionist  
and 1 Independent. Opposing them  
were 55 Democrats, 2 Republicans, 1  
Progressive and 1 Socialist.  
REVENUE BILL PASSES  
BY STRICT PARTY VOTE  
(By Associated Press.)  
WASHINGTON, February 1.—The ad-  
ministration revenue bill, containing  
provisions for a tax on excess profits  
and an increase in the inheritance tax,  
passed the House late by a strict party  
vote, 211 to 196. It now goes to the  
Senate, where it will be taken up  
within a few days.  
Republicans, whose demands for  
higher tariff rates had featured the  
debate, voted solidly against the measure,  
and were joined by the Progressives.  
Representative London, of New  
York, the Socialist, and four Demo-  
crats, Representatives Caldwell, of  
New York, Callaway, of Texas, and  
Doughton and Page, of North Caro-  
lina.  
Voting with the Democratic majority  
were Representatives Kent, of Califor-  
nia, Independent, and Randall, of  
California, Prohibitionist.  
The bill is designed to raise about  
\$248,000,000 to meet extraordinary mili-  
tary and naval expenses through in-  
creased inheritance taxes and a tax on  
excess profits of corporations and in-  
dividuals. It also authorizes bond is-  
sues aggregating \$100,000,000 to cover  
the purchase of the Danish West  
Indies, Alaskan Railroad expenditures  
and other permanent investments.

## FOURTH ARMS BILL PASSES

SENATE, UNANIMOUS

(By Associated Press.)  
WASHINGTON, February 1.—The ad-  
ministration bill, carrying \$10,  
000,000, passed the Senate today unan-  
imously. The Senate today unan-  
imously passed the bill, which authorizes  
the production of munitions, in the  
wildest sense, and of timber for coal  
mines. The bill also provides for the  
increasing lack of enemy cargo ships.  
In this respect, time and U-boat and  
cruiser warfare have prepared the  
ground for the decisive blow.  
"The entire suffer, owing to lack  
of cargo space. The lack makes it im-  
possible to get our goods to Europe  
at all. We have everywhere the re-  
quisite reserves. The spirit of our  
troops is good and confident. The  
military situation as a whole permits  
us to accept all the consequences."  
(Continued on Second Page.)

## TO BRIDGE THE POTOMAC

Measure Authorizing Structure for  
Washington-Newport News Short-  
Line Goes to President.

(By Associated Press.)  
WASHINGTON, February 1.—The  
House today passed the Senate bill  
authorizing a railroad bridge across  
Potomac River near Metomkin Point,  
Md., to be built by the Washington-  
Newport News Short Line. The bill  
now goes to the President.

## GERMANY, DEFIANT, STAKES EVERYTHING

Chancellor von Bethmann-Holl-  
weg Says Nation Accepts Chal-  
lenge to Fight to End.

NEW WAR STEPS PLANNED

Declares Moment Is Now at  
Hand for Ruthless Subma-  
rine Warfare.

(By Associated Press.)  
BERLIN, January 31 (via London,  
February 1).—Chancellor von Beth-  
mann-Hollweg and other ministers at-  
tended an important meeting of the  
Reichstag today, at which the entire  
war situation was gone over, and new  
steps planned by the central powers  
were considered.  
The Chancellor opened the sitting  
with a speech, of which the keynote  
words were:  
"We have been challenged to fight  
to the end. We accept the challenge,  
we stake everything, and we shall be  
victorious."  
The Secretary of State for the Admi-  
rality spoke of the situation from  
the technical, military and naval  
viewpoint. He pointed out that the  
world was supplied by the Secretary  
of the Interior, and Foreign Secretary  
Zimmermann replied to several special  
questions.  
The committee then went into secret  
session, at which speeches were made  
by representatives of the Central, Na-  
tional Liberal and Progressive parties.  
In his address today before the  
Reichstag committee, Chancellor von  
Bethmann-Hollweg explained why in  
March and May of last year he had  
opposed unrestricted submarine warfare,  
and why again in September, "accord-  
ing to the unanimous judgment of the  
political and military authorities, the  
question was not considered ripe for  
decision."  
SUBMARINE WAR TO BRING  
GERMANY NEARER A VICTORY  
The Chancellor repeated his previous  
utterance that as soon as he, in agree-  
ment with the supreme army command,  
reached the conviction that ruthless  
submarine warfare would bring Germany  
nearer a victory, the U-boat war would  
be started.  
"By this development of the situation  
the decision concerning submarine war-  
fare has been forced into the last acute  
stage," said the Chancellor. "The ques-  
tion of U-boat war has occupied us  
three times in this committee; namely,  
in March, May and September of last  
year. On each occasion, in an exhaust-  
ive statement, I expounded the reasons  
for and against."  
"I have always proceeded from the  
standpoint whether U-boat war would  
bring us nearer victorious peace or not.  
Every time, I said in March, that  
was calculated to shorten the war con-  
stitute the most humane policy to fol-  
low. When the most ruthless methods  
are considered least calculated to lead  
us to victory and swift victory. I said,  
then the most humane policy to follow  
was to undertake the enterprise. We  
must therefore not wait any longer."

## NUMBER OF SUBMARINES CONSIDERABLY INCREASED

"Where has there been any change in  
the situation?" the Chancellor asked.  
"In the first place, the most important  
fact of all is that the number of our  
submarines has been very considerably  
increased as compared with last spring,  
and thereby a firm basis for success  
has been established. The second co-  
decisive reason is the fact that the  
rest of the world. This fact already  
confronts England, France and Italy  
with serious difficulties which by means  
of unrestricted U-boat war will be  
brought to a point of unbearable  
strain. The third fact is a vital question  
in war. Already it is critical as you know,  
in Italy and France. Our submarines  
will make it still more critical."  
"To this must be added especially as  
regards England, the supply of ore  
for the production of munitions, in the  
wildest sense, and of timber for coal  
mines. The enemy's difficulties are  
rendered still more acute by the in-  
creasing lack of enemy cargo ships.  
In this respect, time and U-boat and  
cruiser warfare have prepared the  
ground for the decisive blow."  
"The entire suffer, owing to lack  
of cargo space. The lack makes it im-  
possible to get our goods to Europe  
at all. We have everywhere the re-  
quisite reserves. The spirit of our  
troops is good and confident. The  
military situation as a whole permits  
us to accept all the consequences."  
(Continued on Second Page.)

## ACQUITTED OF WIFE MURDER

Spanell Now Must Stand Trial for  
Killing of Lieutenant-Colonel  
Butler.

(By Associated Press.)  
SAN ANGELO, TEX., February 1.—  
Harry J. Spanell, who was found not  
guilty in District Court here today  
of the killing of his wife, Mrs. Crystal  
Holland Spanell, was granted change  
of venue to Coleman County on the  
indictment charging him with having  
killed Lieutenant-Colonel M. C. Butler,  
of the United States Army, and was  
released late today on \$5,000 bond.  
It was stated that Spanell probably  
will be placed on trial in Coleman  
County for the killing of Butler, who  
was shot to death at the same time Mrs.  
Spanell was killed during an auto-  
mobile ride with Spanell near Alpine,  
Tex., last July.  
Spanell was not in the courtroom  
when the verdict was returned to-day.  
When news of his acquittal was  
brought to Spanell's cell in the county  
jail he gave free vent to his emotion,  
and sobbed his wife's name repeatedly.  
Spectators who were in the courtroom  
cheered when the jury's findings were  
read.

## South Will Be Hit by Cold Wave To-Day

Warning of a cold wave in the South  
to-morrow, with freezing tempera-  
ture, extending into Florida Friday  
night or Saturday morning, was is-  
sued to-night by the Weather Bu-  
reau. Storm warnings are displayed  
on the Atlantic coast from Jupiter,  
Fla., to Eastport, Me.

# DECISION QUICKLY DETERMINED UPON

Developments of Day in Submarine Crisis

Washington believes a break with  
Germany cannot be avoided.  
The Administration—President Wilson,  
Secretary of State Lansing,  
Counselor in Chief of the State Depart-  
ment, and Colonel E. M. House, the  
President's confidential adviser, de-  
liberated at length on the situation,  
outlining course for this government  
to follow.  
Secretary Lansing declares that  
no announcement will be forth-  
coming overnight. Declines to say  
whether communication, in nature  
of an ultimatum, has gone to Ger-  
many.  
Additional memorandum attached  
to note defending Germany's course  
made public.  
State Department scene of un-  
usually active, with Secretary  
shrouding every move.  
Presidents' Taken—Twenty-two  
destroyers, ordered on "X" duty  
along the Atlantic coast by the Navy  
Department.  
Atlantic Fleet awaiting orders at  
Guantanamo.

Collectors of customs ordered to  
prevent, at all hazards, sinking of  
ships in block ports.  
Treasury Department orders in-  
vestigation of mysterious sinking of  
German war-bound ship at Charle-  
ston, S. C.  
Secretary of War Baker and Chief  
of Staff General Scott break speak-  
ing engagements "because of ex-  
igencies of the situation."  
Congress—Majority Leader Kitchin  
warns House that situation is grave,  
and calls for "patriotism," rather  
than "nationalism."  
Congress leaders hurry absent  
members of Foreign Affairs Com-  
mittee to Washington. Senator  
Stone coming from St. Louis; Rep-  
resentative Harrison back from New  
York.  
The German Embassy—German  
diplomats, convinced that break is  
unavoidable, ready to leave. It-  
terate assurance that Germany is  
determined on ruthless submarine  
campaign, regardless of diplo-  
matic developments.

## MUSTERED-OUT TROOPS MAY BE SUMMONED AGAIN

Will Be Needed to Meet Domestic  
Difficulties Which Federal or State  
Governments Might Face.

NO ORDERS FROM PRESIDENT

Reasonably Certain That National  
Guard Organizations Now in Field  
Will Be Held Under Arms—Not to  
Delay Movement From Border.

(By Associated Press.)  
WASHINGTON, February 1.—If a  
break between this country and Ger-  
many is precipitated by the latter's  
determination to carry on unrestricted  
submarine warfare, it is reasonably  
certain that the National Guard or-  
ganizations now in the field will be  
called upon to meet any domestic  
difficulties which the Federal  
government or individual States  
might face. It is calculated that such  
disturbances not only will be wide-  
spread, but for a time will multiply.  
It can be stated authoritatively that  
no intimation reached the War Depart-  
ment today from the President to the  
effect that plans need be made for  
calling out militia. General staff  
officers waited all day for some in-  
formation to this effect, finally decid-  
ing that no military measures would be  
ordered or generally discussed until  
after the meeting of the Cabinet to-  
morrow.  
ONLY NATIONAL GUARD  
AVAILABLE FOR STATES  
It is understood that the War College  
strategists hold to the opinion that, in  
the event of war with Germany, it  
would be highly important to have a  
substantial military force in every  
State for its moral effect, if not to  
quell actual violence. At present the  
regulars now in continental United  
States are needed to handle the Mexican  
situation. Only the National Guard,  
therefore, is available for service in  
the various States, particularly in the  
great industrial and shipping centers,  
where disturbances might naturally be  
expected.  
The impression around the War De-  
partment is that the movement of the  
guardmen from the border, that is,  
those now under orders to return, will  
not be delayed. On the contrary, they  
will be hurried out as rapidly as it  
may be possible to move them. The  
point, as it was explained to The  
Times-Dispatch correspondent today,  
is that the guardmen are needed in  
their respective States, or at least in  
those areas where violence may most  
likely be encountered.  
It would mean that the Second  
Virginia will not be held longer on  
the border than originally intended,  
and will be hurried, probably to Rich-  
mond, at the earliest practicable date.  
But if the break comes in the mean-  
time and present plans are followed,  
the Second will not be mustered out  
of the service for some time to come.  
Also, if needed, the First will again  
be mobilized to reinforce the Second.

## GERMANY DRIVEN TO ACT BY METHODS OF ENTENTE

Unable Further to Forego Unre-  
stricted Use of Weapon She Pos-  
sesses in Her Submarine.

SECOND MEMORANDUM TO U. S.

Prepared at Embassy on Instructions  
From Berlin Prior to Wilson's  
Peace Address and Withheld Then  
on Account of That Deliberation.

(By Associated Press.)  
WASHINGTON, February 1.—A sec-  
ond memorandum delivered yesterday  
with the German note was made pub-  
lic today by the State Department.  
It differs in some respects from the  
substance of the note itself. The un-  
derstanding is that it was prepared at  
the German embassy on instructions  
from Berlin prior to President Wilson's  
peace address to the Senate, and with-  
held then on account of the address.  
When Count von Bernstorff received  
the note and memorandum yesterday  
from Berlin he decided to deliver with  
them the original document prepared  
by him.  
The memorandum follows:  
"After bluntly refusing Germany's  
peace offer, the entente powers stated  
in their note addressed to the Ameri-  
can government that they are deter-  
mined to continue the war in order to  
deprive Germany of German provinces  
in the west and east, to destroy Aus-  
trian-Hungary, and to annihilate Tur-  
key. In waging war with such aims,  
the entente allies are violating all rules  
of international law as to prevent the  
legitimate trade of neutrals with the  
central powers and of the neutrals  
among themselves. Germany has so  
far not made an restricted use of the  
weapon which she possesses in her sub-  
marines. Since the entente powers,  
however, have made it impossible to  
reach an understanding based upon  
equality of rights of all nations, as  
proposed by the central powers, and  
have instead declared that such a peace  
is to be possible which shall be dictated  
by the entente allies, and shall result  
in the destruction and the humiliation  
of the central powers, Germany is un-  
able further to forego the full use of  
her submarines."  
EXPERTS UNITED STATES  
WILL UNDERSTAND SITUATION  
"The imperial government, therefore,  
does not doubt that the government of  
the United States will understand the  
situation thus forced upon Germany by  
the entente allies' brutal methods of  
war, and by their determination to  
destroy the central powers, and that  
the government of the United States  
will further realize that the two con-  
flicting intentions of the entente  
allies gives back to Germany the free-  
dom of action which she reserved in  
her note addressed to the government  
of the United States on May 4, 1915."

## COURSE OF ACTION, HOWEVER, IS KEPT SECRET BY WILSON

Every Indication That Note  
Will Be Sent, or Has  
Gone, to Berlin.

MAY CARRY ONLY WARNING  
OR WORD OF ACTUAL BREAK

Knowledge Withheld Because of  
Necessity of Preparing Coun-  
try for Eventualities.

BERNSTORFF EXPECTS TO GO

But Denies That He Told Friend He  
Is Looking for His Passports  
Within 48 Hours.

(By Associated Press.)  
LONDON, February 1.—The eyes  
of Great Britain and all Europe are  
today focused on Washington. It  
is recognized whether the United  
States finally will be drawn into the  
European war is to be decided there.  
Not only the policy of the United  
States, but of the neutral European  
nations also, is being largely deter-  
mined in Washington. From Spain,  
Holland and the Scandinavian coun-  
tries messages to the English papers  
say they are waiting for the lead  
which the United States will give  
before framing their replies to the  
German announcement of unfettered  
maritime war against all cargo ves-  
sels approaching her enemies' coasts.

(By Associated Press.)  
WASHINGTON, February 1.—What-  
ever course of action President Wilson  
has chosen to meet Germany's decla-  
ration of unrestricted submarine warfare  
is known only to three or four mem-  
bers of his cabinet. Neither the  
Cabinet as a whole, nor the Foreign  
Affairs Committee of Congress have  
been taken into his confidence.  
One high official close to the Presi-  
dent declared to-night that no com-  
munication had been sent to Berlin or  
to Count von Bernstorff, who outwardly  
was expecting a verance of diplo-  
matic relations.

There was every indication in official  
quarters that a note had been deter-  
mined upon, but the indications as to  
whether it actually had been dispatched  
were about evenly divided, with a few  
high officials as authority that it had  
not, and some others who gave intima-  
tions of a belief that it had.  
From under the curtain of official  
silence drawn closely over every  
move today, came various indications  
pointing toward the probable course  
of the United States. It was undisputed  
that the United States would not per-  
mit Germany's announcement to stand  
without challenge.

But whether President Wilson's an-  
swer will be solemn warning of a  
break in diplomatic relations if Ger-  
many's claims are not actually  
severance of relations without further  
warning remained undisclosed.  
FOLLOW SAME COURSE  
ADOPTED HERETOFORE  
White House officials and Secretary  
Lansing followed the same course  
adopted on previous occasions when a  
communication had been dispatched to  
Berlin, and they were awaiting its re-  
ceipt in the German capital before  
making any announcement in this  
country.  
Secretary Lansing began by denying  
himself to all calls. Notwithstanding  
it was the regular day for stat-  
ing representatives of foreign govern-  
ments at the State Department, he de-  
clined to receive such persons as the  
British and Japanese ambassadors, and  
they were turned over to subordinate  
officials.

"It became known then that Mr. Lan-  
sing was engaged at work 'on some-  
thing for the President.' Shortly be-  
fore noon the secretary went to the  
White House, taking with him some  
documents, and he and the President  
conferred for more than an hour.  
When he left the President, Mr.  
Lansing refused absolutely to discuss  
the situation or answer any inquiries.  
Later in the day, when he met the  
newspaper correspondents, he said:  
"Gentlemen, I have nothing to tell  
you; neither will I answer any ques-  
tions." He modified his latter state-  
ment only to say he had no communi-  
cation throughout the day with the  
German ambassador, adding that there  
was no prospect of any announcement  
during the night.

## ONLY POINT OF DEBATE REGARDS TERMS OF NOTE

Among all officials capable of know-  
ing the probable course of the Presi-  
dent, the only point of debate seemed  
to be whether a communication to Ger-  
many would carry only a warning or  
whether it would consider Germany's  
declaration sufficient in itself for  
action. All seemed to take it for  
granted that a decision had quickly  
been determined upon.  
It was pointed out that one reason  
for withholding knowledge of it

was to prevent a break in the coun-  
try. The German Embassy—German  
diplomats, convinced that break is  
unavoidable, ready to leave. It-  
terate assurance that Germany is  
determined on ruthless submarine  
campaign, regardless of diplo-  
matic developments.